

Senate Bill No. 1468

Passed the Senate August 30, 1998

Secretary of the Senate

Passed the Assembly August 28, 1998

Chief Clerk of the Assembly

This bill was received by the Governor this ____ day
of _____, 1998, at ____ o'clock __M.

Private Secretary of the Governor

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CHAPTER ____

An act to amend Sections 2550.3, 35120, 42238, 42238.5, 42238.7, 42238.8, 42238.9, 42243.7, 42280, 42281, 42282, 42283, 42284, 42285, 46010, 48205, 48664, 48980, 49067, 52335.2, 56836.08, 56836.10, 56836.11, 56836.12, 56836.15, and 56836.24 of, and to add Section 42289.5 to, the Education Code, and to amend Section 8880.5 of the Government Code, relating to school revenue limits, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1468, Rosenthal. School revenue limits: reporting: average daily attendance.

(1) Under existing law, each county superintendent of schools is required, as a condition of apportionment, to report certain information regarding excused absences to the Superintendent of Public Instruction by September 1, 1997.

This bill would extend the deadline for each county superintendent of schools to report this information to May 1, 1998, and September 1, 1998.

(2) Existing law authorizes each member of a governing board of a school district who actually attends all meetings to receive prescribed compensation, determined on the basis of the average daily attendance of the school district for the prior school year, for his or her services.

This bill would provide that the determination of the average daily attendance for purposes of this provision shall be increased by a school district's percentage of excused absences for the 1996–97 fiscal year.

(3) Existing law, which will become operative on July 1, 1998, changes the funding basis for school districts and county offices of education from actual attendance plus excused absences to actual attendance, without altering the funding amount received by school districts and county offices of education. Existing law bases this

adjustment in funding on attendance levels and revenue limits in the 1996–97 fiscal year.

This bill would revise the provisions that establish the 1996–97 fiscal year as a base year, establish formulas whereby funding amounts received by school districts and county offices of education would be reduced to factors, and provide for the calculation of funding based on the formulas.

(4) Existing law requires a county superintendent of schools to make specified computations for each elementary and secondary school district that has fewer than 2,501 units of average daily attendance in the 1990–91 fiscal year.

This bill would impose a state-mandated local program by requiring a county superintendent of schools to make prescribed computations for the 1998–99 fiscal year relating to excused absences under this provision.

(5) Existing law provides for the establishment of community day schools, and provides for funds to be apportioned, as prescribed, for the operation of these schools.

This bill would provide for a prescribed one-time adjustment to be made for the 1998–99 fiscal year in the calculation of the apportionment for community day schools.

(6) This bill would impose a state-mandated local program by requiring each school district to include in its annual notification to parents and guardians that no pupil shall have his or her grade reduced or lose academic credit for any absence when missed assignments and tests are satisfactorily completed within a reasonable period of time along with the full text of the applicable law.

(7) Existing law requires the Superintendent of Public Instruction to make prescribed computations for the calculation of apportionments for the purposes of special education programs.

This bill would require the Superintendent of Public Instruction to exclude units of average daily attendance for absences excused pursuant to a prescribed provision from these computations.

(8) Existing law, known as the California State Lottery Act of 1984, establishes a state lottery for the purpose of providing additional moneys to benefit public education. As an initiative measure, the California State Lottery Act of 1984 requires that none of its provisions may be changed except to further its purposes by a $\frac{2}{3}$ vote of each house of the Legislature.

This bill would adjust the apportionment of moneys under the California State Lottery Act of 1984 by adjusting the computations made to calculate that apportionment to compensate for excused absences. The bill would declare that this provision furthers the purposes of the California State Lottery Act of 1984.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(10) This bill would incorporate additional changes in Sections 56836.08 and 56836.15 of the Education Code, proposed by SB 1564, to be operative only if SB 1564 and this bill are both chaptered and become operative effective on or before January 1, 1999, and this bill is chaptered last.

(11) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 2550.3 of the Education Code is amended to read:

2550.3. Each county superintendent of schools, as a condition of apportionment, shall report separately to the



Superintendent of Public Instruction, not later than May 1, 1998, and September 1, 1998, respectively, what portions of attendance in the schools and classes maintained by the county superintendent that was reported for each of the 1996–97 and 1997–98 school years pursuant to Section 41601 consisted of absences excused pursuant to subdivision (b) of Section 46010 and to Section 46015, as those sections read on July 1, 1996.

Each report shall be prepared in accordance with instructions and on forms prescribed by the Superintendent of Public Instruction.

SEC. 2. Section 35120 of the Education Code is amended to read:

35120. (a) (1) In any school district in which the average daily attendance for the prior school year exceeded 400,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his or her services a sum not to exceed two thousand dollars (\$2,000) per month.

(2) In any school district that is not located in a city and county, and in which the average daily attendance for the prior school year exceeded 60,000, the governing board may prescribe, as compensation for the services of each member of the board who actually attends all meetings held, a sum not to exceed one thousand five hundred dollars (\$1,500) in any month.

(3) In any school district in which the average daily attendance for the prior school year was 60,000, or less, but more than 25,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his or her services a sum not to exceed seven hundred fifty dollars (\$750) in any month.

(4) In any school district in which the average daily attendance for the prior school year was 25,000, or less, but more than 10,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as



compensation for his or her services a sum not to exceed four hundred dollars (\$400) in any month.

(5) In any school district in which the average daily attendance for the prior school year was 10,000 or less but more than 1,000, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his or her services a sum not to exceed two hundred forty dollars (\$240) in any month.

(6) In any school district in which the average daily attendance for the prior school year was 1,000 or less but more than 150, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his or her services a sum not to exceed one hundred twenty dollars (\$120) in any month.

(7) In any school district in which the average daily attendance for the prior school year was less than 150, each member of the city board of education or the governing board of the district who actually attends all meetings held may receive as compensation for his or her services a sum not to exceed sixty dollars (\$60) per month.

(8) Any member who does not attend all meetings held in any month may receive, as compensation for his or her services, an amount not greater than the maximum amount allowed by this subdivision divided by the number of meetings held and multiplied by the number of meetings actually attended.

(9) For the purposes of providing compensation pursuant to paragraphs (1) to (7), inclusive, average daily attendance for the prior school year may be increased by a school district's percentage of excused absences reported for the 1996–97 fiscal year.

(b) The compensation of members of the governing board of a school district newly organized or reorganized shall be governed by subdivision (a). For this purpose, the total average daily attendance in all of the schools of the district in the school year in which the organization or reorganization became effective pursuant to Section 4062



shall be deemed to be the average daily attendance in the district for the prior school year.

(c) A member may be paid for any meeting when absent if the board by resolution duly adopted and included in its minutes finds that at the time of the meeting he or she is performing services outside the meeting for the school district or districts, he or she was ill or on jury duty, or the absence was due to a hardship deemed acceptable by the board.

(d) The compensation shall be a charge against the funds of the school district. If the city board of education or the governing board of the district is the governing board of more than one school district, the compensation shall be charged against and paid by the respective school districts in the same proportion as the salary of the city superintendent of schools is charged against them. Compensation shall be reduced by an amount equal to any salary or compensation paid to the members of the city board of education from any funds of the city.

SEC. 3. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1984–85 fiscal year and each fiscal year thereafter, the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section.

(b) The base revenue limit for the current fiscal year shall be determined by adding to the base revenue limit for the prior fiscal year the following amounts:

(1) The inflation adjustment specified in Section 42238.1.

(2) For the 1995–96 fiscal year, the equalization adjustment specified in Section 42238.4.

(3) For the 1996–97 fiscal year, the equalization adjustments specified in Sections 42238.41, 42238.42, and 42238.43.

(4) For the 1985–86 fiscal year, the amount received per unit of average daily attendance in the 1984–85 fiscal year pursuant to Section 42238.7.

(5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the amount per unit of average daily attendance received in the prior fiscal year pursuant to Section 42238.8.

(c) Except for districts subject to subdivision (d), the base revenue limit computed pursuant to subdivision (b) shall be multiplied by the district average daily attendance computed pursuant to Section 42238.5.

(d) (1) For districts for which the number of units of average daily attendance determined pursuant to Section 42238.5 is greater for the current fiscal year than for the 1982–83 fiscal year, compute the following amount, in lieu of the amount computed pursuant to subdivision (c):

(A) Multiply the base revenue limit computed pursuant to subdivision (c) by the average daily attendance computed pursuant to Section 42238.5 for the 1982–83 fiscal year.

(B) Multiply the lesser of the amount in subdivision (c) or 1.05 times the statewide average base revenue limit per unit of average daily attendance for districts of similar type for the current fiscal year by the difference between the average daily attendance computed pursuant to Section 42238.5 for the current and 1982–83 fiscal years.

(C) Add the amounts in subparagraphs (A) and (B).

(2) This subdivision shall become inoperative on July 1, 1998.

(e) For districts electing to compute units of average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(f) For the 1984–85 fiscal year only, the county superintendent shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

(g) The reduction required by subdivision (f) shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees’ Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees’ Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees’ Retirement System for any of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.



(h) The Superintendent of Public Instruction shall apportion to each school district the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount of motor vehicle license fees distributed pursuant to Section 11003.4 of the Revenue and Taxation Code.

(7) The amount, if any, received pursuant to any provision of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(i) This section shall become operative July 1, 1984.

SEC. 4. Section 42238.5 of the Education Code is amended to read:

42238.5. (a) For purposes of Section 42238, the fiscal year average daily attendance shall be computed pursuant to paragraph (1) or (2).

(1) The second principal apportionment regular average daily attendance for either the current or prior fiscal year, whichever is greater. However, prior fiscal



year average daily attendance shall be adjusted for any loss or gain of average daily attendance due to a reorganization or transfer of territory, or, commencing in the 1993–94 fiscal year, and each fiscal year thereafter, for any change in average daily attendance for pupils who are concurrently enrolled in adult programs and classes pursuant to Section 52616.17.

(2) Any school district that elects to receive funding pursuant to Article 4 (commencing with Section 42280) shall compute its units of average daily attendance for purposes of Section 42238 by subtracting the amount determined in subparagraph (B) from the amount determined in subparagraph (A).

(A) The units of average daily attendance computed pursuant to paragraph (1).

(B) The units of average daily attendance resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280).

(b) For purposes of this article, regular average daily attendance shall be the base revenue limit average daily attendance, excluding summer school average daily attendance.

(c) For purposes of this section, for the 1998–99 fiscal year only, the prior year average daily attendance shall be the 1997–98 regular average daily attendance, excluding absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

SEC. 5. Section 42238.7 of the Education Code is amended to read:

42238.7. The governing board of each school district, as a condition of apportionment, shall report to the Superintendent of Public Instruction, not later than May 1, 1998, and September 1, 1998, respectively, the portion of the attendance in the schools and classes maintained by the district that was reported for each of the 1996–97 and 1997–98 school years pursuant to Section 41601 that consisted of absences excused pursuant to subdivision (b) of Section 46010 and to Section 46015, as those sections read on July 1, 1996.



SEC. 6. Section 42238.8 of the Education Code is amended to read:

42238.8. (a) Effective July 1, 1998, the Superintendent of Public Instruction shall make a one-time adjustment to the revenue limit per unit of average daily attendance of each school district. This one-time adjustment shall apply for the 1998–99 fiscal year, and for each fiscal year thereafter, but not for any year prior to 1998–99, and shall be accomplished by revision of the prior fiscal year revenue limit per unit of average daily attendance, as follows:

(1) Determine a revised revenue limit per unit of average daily attendance for the 1996–97 fiscal year as follows:

(A) For each school district that had its revenue limit funding for the 1996–97 fiscal year calculated on the basis of its 1996–97 average daily attendance pursuant to paragraph (1) of subdivision (a) of Section 42238.5, the revised revenue limit per unit of average daily attendance shall equal the adjusted total base revenue limit determined pursuant to paragraph (2) divided by the adjusted average daily attendance determined pursuant to subparagraph (A) of paragraph (3).

(B) For each school district that had its revenue limit funding for the 1996–97 fiscal year calculated on the basis of its 1995–96 average daily attendance pursuant to paragraph (1) of subdivision (a) of Section 42238.5, the revised revenue limit per unit of average daily attendance shall equal the adjusted total base revenue limit determined pursuant to paragraph (2) divided by the adjusted average daily attendance determined pursuant to subparagraphs (B), (C), and (D) of paragraph (3).

(2) Determine the amount of the 1996–97 total base revenue limit funding received pursuant to Section 42238 for growth and nongrowth average daily attendance, including, as nongrowth average daily attendance, attendance in necessary small schools in the year determined to be the greater pursuant to paragraph (1) of subdivision (a) of Section 42238.5 for the 1996–97 fiscal

year, but excluding attendance in nonpublic, nonsectarian schools, county office operated special education, and county community school programs.

(3) (A) Reduce the average daily attendance figure used to make the determination set forth in paragraph (2) by the amount of average daily attendance included in that figure for excused absences pursuant to subdivision (b) of Section 46010 as that subdivision read on July 1, 1996.

(B) Determine the second principal apportionment average daily attendance for the 1996–97 fiscal year, including attendance in necessary small schools and attendance for excused absences pursuant to subdivision (b) of Section 46010 as it read on July 1, 1996, but excluding attendance, including attendance for excused absences, in nonpublic, nonsectarian schools, county-operated special education programs, and county community schools.

(C) Determine the second principal apportionment average daily attendance for the 1996–97 fiscal year, including attendance in necessary small schools, but excluding attendance in nonpublic, nonsectarian schools, county-operated special education programs, and county community schools and for excused absences pursuant to subdivision (b) of Section 46010 as it read on July 1, 1996.

(D) Calculate the adjusted revenue limit average daily attendance by multiplying the average daily attendance figure used to make the determination set forth in paragraph (2) by the quotient of the amount determined pursuant to subparagraph (C) divided by the amount determined pursuant to subparagraph (B).

(4) Recalculate the 1997–98 fiscal year revenue limit per unit of average daily attendance to reflect the revision in the 1996–97 revenue limit per unit of average daily attendance determined pursuant to paragraph (1).

(b) The calculations made pursuant to paragraphs (1) and (4) of subdivision (a) shall not be used for apportionment purposes for either of the fiscal years referred to in those paragraphs or for adjustments for those years.



(c) If the governing board of any school district demonstrates to the satisfaction of the Superintendent of Public Instruction that, because of extraordinary circumstances beyond the control of the school district, the amount of absences excused in one or more district programs in fiscal year 1996–97 pursuant to subdivision (b) of Section 46010 as it read on July 1, 1996, was significantly lower than it would ordinarily have been in comparison to the amount of actual attendance in fiscal year 1996–97, the Superintendent of Public Instruction shall make a compensating adjustment, consistent with the provisions of Section 2 of the Education Code, in the calculation set forth in this section.

SEC. 7. Section 42238.9 of the Education Code is amended to read:

42238.9. The amount per unit of average daily attendance subtracted pursuant to Section 56712 for revenue limits for pupils in special classes and centers shall be the district's total revenue limit for the current fiscal year computed pursuant to Section 42238, including funds received pursuant to Article 4 (commencing with Section 42280), but excluding the total amount of funds received pursuant to Sections 46200 to 46206, inclusive, and Section 45023.4, as that section read on July 1, 1986, divided by the district's current year average daily attendance pursuant to Section 42238.5. The amount per unit of average daily attendance that is excluded in this calculation for each school district shall be increased for the 1998–99 fiscal year by the quotient for that district of the amount determined pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 42238.8 divided by the amount determined pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 42238.8.

SEC. 8. Section 42243.7 of the Education Code is amended to read:

42243.7. (a) For any school district that commenced operations on or after June 30, 1978, or for any school district that receives approval from the State Department of Education for a new continuation



education high school for the 1979–80 fiscal year, or any fiscal year thereafter, the Superintendent of Public Instruction shall compute an adjustment to the district revenue limit pursuant to this section.

(b) Determine the amount of foundation program which the district would have been entitled to pursuant to subdivision (a) of Section 41711 if the district had operated during the 1977–78 fiscal year utilizing the number of units of average daily attendance attending high school in the district in the fiscal year for which the revenue limit is being computed.

(c) Determine the amount of foundation program which the district would have been entitled to pursuant to paragraph (1) of subdivision (b) of Section 41711 if the district had operated during the 1977–78 fiscal year utilizing the same number of units of average daily attendance used in subdivision (b) of this section.

(d) Subtract the amount determined pursuant to subdivision (c) from the amount computed pursuant to subdivision (b).

(e) The amount computed pursuant to subdivision (d), if greater than zero, shall be added to the revenue limit computed pursuant to subdivision (c) of Section 42237 or pursuant to Section 42238. If the amount in subdivision (d) is less than zero there is no adjustment.

(f) The Superintendent of Public Instruction shall reduce by the amount computed pursuant to subdivision (e) the revenue limit computed pursuant to Section 42238 of any district discontinuing the operation of a continuation education school approved pursuant to subdivision (a).

(g) Commencing with the 1994–95 fiscal year and each fiscal year thereafter, the adjustment computed pursuant to this section shall not be adjusted by the deficit factor applied to the revenue limit of each school district pursuant to Section 42238.145.

(h) The adjustment computed pursuant to this section for a new continuation education high school may be applicable for any unified school district that was not fully operational during the first year of operation of the



continuation education high school. The number of units of average daily attendance to be used in computing the adjustment shall be the number of units of average daily attendance generated by the continuation education high school in the district for the first year that the district is fully operational in all grades.

(i) In the 1998–99 fiscal year and each fiscal year thereafter, the ranges of average daily attendance resulting from the calculation set forth in this section pursuant to Section 41711, as that section read on July 1, 1977, shall be reduced by the statewide average percentage that absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996, were of total second principal apportionment regular average daily attendance for high schools in 1996–97, with the reduced ranges then rounded to the nearest integer.

SEC. 9. Section 42280 of the Education Code is amended to read:

42280. (a) For each school district that meets, in the current or prior fiscal year, the conditions specified in Section 42281, 42282, or 42284 the county superintendent of schools shall compute, for each qualifying school in the district, an amount pursuant to this article.

(b) For each school district that is a countywide unified school district that had fewer than 2,501 units of average daily attendance in the 1990–91 fiscal year, the county superintendent of schools shall compute an amount pursuant to this article for those schools that meet the conditions specified in Sections 42283 and 42285 in the current or prior fiscal year. This subdivision is only applicable to those schools funded pursuant to this article in the 1990–91 fiscal year and, in subsequent years, if the school district has no more than 3,000 units of average daily attendance.

(c) For the 1998–99 fiscal year, average daily attendance reported pursuant to Section 41601 for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that subdivision read on July 1, 1996, shall



be used for the purpose of determining whether school districts meet the conditions in Sections 42281, 42282, and 42284 for the prior fiscal year.

SEC. 10. Section 42281 of the Education Code is amended to read:

42281. (a) Except as specified in paragraph (4), for each elementary school district that maintains only one school with a second principal apportionment average daily attendance of less than 101, the county superintendent shall make one of the following computations, whichever provides the lesser amount:

(1) For each small school that has an average daily attendance during the fiscal year of less than 26, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least one teacher was hired full time, the county superintendent shall compute for the district fifty-two thousand nine hundred twenty-five dollars (\$52,925).

(2) For each small school that has an average daily attendance during the fiscal year of 26 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred five thousand eight hundred fifty dollars (\$105,850).

(3) For each small school that has an average daily attendance during the fiscal year of 51 or more but less than 76, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school three teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred fifty-eight thousand seven hundred seventy-five dollars (\$158,775).

(4) For each small school that has an average daily attendance during the fiscal year of 76 or more and less than 101, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school four

teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district two hundred eleven thousand seven hundred dollars (\$211,700). A school district that qualifies under this subdivision may use this funding calculation until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the small school funding formula.

(b) For the 1998–99 fiscal year and each fiscal year thereafter, the average daily attendance figure of 101 specified in subdivision (a) and the ranges of average daily attendance specified in paragraphs (1) to (4), inclusive, shall be reduced by the statewide average rate of excused absence reported for elementary school districts for the 1996–97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

SEC. 11. Section 42282 of the Education Code is amended to read:

42282. For each district with fewer than 2,501 units of second principal apportionment average daily attendance, on account of each necessary small school, the county superintendent shall make the following computations:

(a) For each necessary small school which has an average daily attendance during the fiscal year of less than 26, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least one teacher was hired full time, the county superintendent shall compute for the district fifty-two thousand nine hundred twenty-five dollars (\$52,925).

(b) For each necessary small school which has an average daily attendance during the fiscal year of 26 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one



hundred five thousand eight hundred fifty dollars (\$105,850).

(c) For each necessary small school which has an average daily attendance during the fiscal year of 51 or more but less than 76, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school three teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred fifty-eight thousand seven hundred seventy-five dollars (\$158,775).

(d) For each necessary small school which has an average daily attendance during the fiscal year of 76 or more and less than 101, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school four teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district two hundred eleven thousand seven hundred dollars (\$211,700). These school districts may use this funding calculation until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the small school funding formula.

(e) For the 1998–99 fiscal year and each fiscal year thereafter, the ranges of average daily attendance specified in subdivisions (a) to (d), inclusive, shall be reduced by the statewide average rate of excused absence reported for high school districts for the 1996–97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

SEC. 12. Section 42283 of the Education Code is amended to read:

42283. (a) For the purposes of Section 42282, a “necessary small school” is an elementary school with an average daily attendance of less than 101, exclusive of pupils attending the seventh and eighth grades of a junior high school, maintained by a school district which maintains two or more schools and to which school any of the following conditions apply:

(1) If as many as five pupils residing in the district and attending kindergarten and grades 1 to 8, inclusive, exclusive of pupils attending the seventh and eighth grades of a junior high school in the elementary school with an average daily attendance of less than 101 would be required to travel more than 10 miles one way from a point on a well-traveled road nearest their home to the nearest other public elementary school.

(2) If as many as 15 pupils residing in the district and attending kindergarten and grades 1 to 8, inclusive, exclusive of pupils attending the seventh and eighth grades of a junior high school in the elementary school with an average daily attendance of less than 101 would be required to travel more than five miles one way from a point on a well-traveled road nearest their home to the nearest other public elementary school.

(3) If topographical or other conditions exist in a district which would impose unusual hardships if the number of miles specified in paragraph (1) or (2) were required to be traveled, or if during the fiscal year the roads which would be traveled have been impassable for more than an average of two weeks per year for the preceding five years, the governing board of the district may, on or before April 1, request the Superintendent of Public Instruction, in writing, for an exemption from these requirements or for a reduction in the miles required. The request shall be accompanied by a statement of the conditions upon which the request is based, giving the information in a form required by the Superintendent of Public Instruction. The Superintendent of Public Instruction shall cause an investigation to be made, and shall either grant the request to the extent he or she deems necessary, or deny the request.

(b) For the 1998–99 fiscal year and each fiscal year thereafter, a “necessary small school,” as defined in subdivision (a), shall be an elementary school with an average daily attendance of less than 101 reduced by the statewide average rate of excused absence reported for elementary school districts for the 1996–97 fiscal year

pursuant to Section 42238.7, rounded to the nearest integer.

SEC. 13. Section 42284 of the Education Code is amended to read:

42284. (a) For each district with fewer than 2,501 units of average daily attendance, on account of each necessary small high school, the county superintendent of schools shall make one of the following computations selected with regard only to the number of certificated employees employed or average daily attendance, whichever provides the lesser amount:

Average daily attendance	Minimum number of certificated employees	Amount to be computed
1– 20	less than 3	\$42,980 per teacher
1– 20	3	191,340
21– 40	4	234,320
41– 60	5	277,300
61– 75	6	320,280
76– 90	7	363,260
91–105	8	406,240
106–120	9	449,220
121–135	10	492,200
136–150	11	535,180
151–180	12	578,160
181–220	13	621,140
221–260	14	664,120
261–300	15	707,100

(b) For purposes of this section, a “certificated employee” means an equivalent full-time position of an individual holding a credential authorizing service and providing service in grades 9 to 12, inclusive, in any secondary school. Any fraction of an equivalent full-time position remaining after all equivalent full-time positions for certificated employees within the district have been calculated shall be deemed to be a full-time position.



(c) A school district that qualifies under this section may use the funding calculation as provided in this section until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the funding provided under this section.

(d) For the 1998–99 fiscal year and each fiscal year thereafter, the ranges of average daily attendance specified in the table in subdivision (a) shall be reduced by the statewide average rate of excused absence reported for high school districts for the 1996–97 fiscal year pursuant to Section 42238.7, with the resultant ranges rounded to the nearest integer.

SEC. 14. Section 42285 of the Education Code is amended to read:

42285. (a) A necessary small high school for the purposes of Section 42284, is a high school with an average daily attendance of less than 301, excluding continuation schools, which comes within any of the following conditions (except that a single high school maintained by a unified district, or a high school maintained by any district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs, shall be considered a necessary small high school):

(1) The projection of its future enrollment on the basis of the enrollment of the elementary schools in the district shows that within eight years the enrollment in high school in grades 9 to 12, inclusive, will exceed 300 pupils.

(2) Any one of the following combinations of distance and units of average daily attendance applies:

(A) The high school had an average daily attendance of less than 100 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 15 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 20 miles or 25 percent of the pupils would be required to travel 30 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.



(B) The high school had an average daily attendance of 100 or more and less than 150 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 10 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 18 miles or 25 percent of the pupils would be required to travel 25 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(C) The high school had an average daily attendance of 150 or more and less than 200 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 7¹/₂ miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 15 miles or 25 percent of the pupils would be required to travel 20 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(D) The high school had an average daily attendance of 200 or more and less than 300 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than five miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 10 miles or 25 percent of the pupils would be required to travel 15 miles to the nearest other public high school.

(3) Topographical or other conditions exist in the district which would impose unusual hardships on the pupils if the number of miles specified above were required to be traveled. In these cases, the Superintendent of Public Instruction may, when requested, and after investigation, grant exceptions from the distance requirements.

(4) The Superintendent of Public Instruction has approved the recommendation of a county committee on school district organization designating one of two or more schools as necessary isolated schools in a situation where the schools are operated by two or more districts and the average daily attendance of each of the schools is less than 300 in grades 9 to 12, inclusive.



(b) For the 1998–99 fiscal year and each fiscal year thereafter, the high school and junior high school average daily attendance figures specified in subdivision (a) and the ranges of average daily attendance specified in paragraph (2) of subdivision (a) shall be reduced by the statewide average rate of excused absence reported for high school districts for the 1996–97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

SEC. 15. Section 42289.5 is added to the Education Code, to read:

42289.5. Notwithstanding any other provision of law, the increases determined pursuant to Sections 42289, 42289.1, 42289.3, and 42289.4 shall be permanently increased for the 1998–99 fiscal year by the quotient, for each district eligible for an increase, of the amount determined pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 42238.8 divided by the amount determined pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 42238.8.

SEC. 16. Section 46010 of the Education Code, as amended by Chapter 855 of the Statutes 1997, is amended to read:

46010. The total days of attendance of a pupil upon the schools and classes maintained by a school district, or schools or classes maintained by the county superintendent of schools during the fiscal year shall be the number of days school was actually taught for not less than the minimum schooldays during the fiscal year less the sum of his or her absences.

SEC. 17. Section 48205 of the Education Code is amended to read:

48205. (a) Notwithstanding Section 48200, a pupil shall be excused from school when the absence is:

(1) Due to his or her illness.

(2) Due to quarantine under the direction of a county or city health officer.

(3) For the purpose of having medical, dental, optometrical, or chiropractic services rendered.



(4) For the purpose of attending the funeral services of a member of his or her immediate family, so long as the absence is not more than one day if the service is conducted in California and not more than three days if the service is conducted outside California.

(5) For the purpose of jury duty in the manner provided for by law.

(6) Due to the illness or medical appointment during school hours of a child of whom the pupil is the custodial parent.

(7) For justifiable personal reasons, including, but not limited to, an appearance in court, attendance at a funeral service, observance of a holiday or ceremony of his or her religion, attendance at religious retreats, or attendance at an employment conference, when the pupil's absence has been requested in writing by the parent or guardian and approved by the principal or a designated representative pursuant to uniform standards established by the governing board.

(b) A pupil absent from school under this section shall be allowed to complete all assignments and tests missed during the absence that can be reasonably provided and, upon satisfactory completion within a reasonable period of time, shall be given full credit therefor. As the teacher of any class from which a pupil is absent shall determine the tests and assignments shall be reasonably equivalent to, but not necessarily identical to, the tests and assignments that the pupil missed during the absence.

(c) For purposes of this section, attendance at religious retreats shall not exceed four hours per semester.

(d) Absences pursuant to this section are deemed to be absences in computing average daily attendance and shall not generate state apportionment payments.

(e) "Immediate family," as used in this section, has the same meaning as that set forth in Section 45194, except that references therein to "employee" shall be deemed to be references to "pupil."

SEC. 18. Section 48664 of the Education Code is amended to read:

48664. (a) In addition to funds from all other sources, the Superintendent of Public Instruction shall apportion to each school district that operates a community day school one thousand five hundred dollars (\$1,500) per year, for each unit of average daily attendance reported at the annual apportionment for pupil attendance at community day schools. Average daily attendance reported for this program shall not exceed 0.375 percent of a district's prior year P2 average daily attendance in an elementary school district, 0.5 percent of a district's prior year P2 average daily attendance in a unified school district, or 0.625 percent of a district's prior year P2 average daily attendance in a high school district. The Superintendent of Public Instruction may reallocate to any school district any unexpended balance of the appropriations made for the purposes of this subdivision for actual pupil attendance in excess of the percentage specified in this subdivision for the school district in an amount not to exceed one-half of that percentage. However, the average daily attendance generated by pupils expelled pursuant to subdivision (d) of Section 48915, shall not be subject to these percentage caps on average daily attendance.

(b) The average daily attendance of a community day school shall be determined by dividing the total number of days of attendance in all full school months, by a divisor of 70 in the first period of each fiscal year, by a divisor of 135 in the second period of each fiscal year, and by a divisor of 180 at the annual time of each fiscal year.

(c) The Superintendent of Public Instruction shall apportion to each school district that operates a community day school a sum equal to one dollar and forty cents (\$1.40) multiplied by the total of the number of hours each schoolday, up to a maximum of two hours daily, that each community day school pupil remains at the community day school under the supervision of a school district employee following completion of the full six-hour instructional day.

(d) It is the intent of the Legislature that districts enter into consortia, as feasible, for the purpose of



providing community day school programs. Any school district with fewer than 2,501 units of average daily attendance may request a waiver for any fiscal year of the funding limitations defined in this section. The Superintendent of Public Instruction shall approve a waiver if he or she deems it necessary in order to permit the operation of a community day school of reasonably comparable quality to those offered in a school district with 2,501 or more units of average daily attendance. In no event shall the amount allocated pursuant to a waiver exceed the amount provided for one teacher pursuant to Section 42284, for pupils enrolled in kindergarten and grades 1 to 6, inclusive, or the amount provided for one teacher pursuant to Section 42284, for pupils enrolled in grades 7 to 12, inclusive. The provisions of this act shall not apply to any school district that applied for a waiver within the funding limits established by this subdivision but was denied funding or not fully funded.

(e) The State Department of Education shall evaluate and report to the appropriate legislative policy committees and budget committees on or before October 1, 1998, and for two years thereafter the following programmatic and fiscal issues:

- (1) The number of expulsions statewide.
- (2) The number of school districts operating community day schools.
- (3) Status of the countywide plans as defined in Section 48926.
- (4) An evaluation of the community day school average daily attendance funding percentage cap.
- (5) Number of small school districts requesting and the number receiving a waiver under this section.
- (6) The effect of hourly accounting under Section 48663 for purposes of receiving the additional funding under Section 48664.
- (7) The number of pupils and average daily attendance served in community day programs, further identified as the number expelled pursuant to subdivision (b) of Section 48915, subdivision (d) of Section 48915,



other expulsion criteria, or referred through a formal district process.

(8) Pupil outcome data and other data as required under Section 48916.1.

(9) Other programmatic or fiscal matters as determined by the State Department of Education.

(f) The additional funds provided in subdivisions (a), (c), and (d) shall only be allocated to the extent that funds are appropriated for this purpose in the annual Budget Act or other legislation, or both, except for pupils expelled pursuant to subdivision (d) of Section 48915. For pupils expelled pursuant to subdivision (d) of Section 48915, the funds apportioned under subdivision (a) are continuously appropriated from the General Fund to Section A of the State School Fund.

(g) A one-time adjustment shall be made to the amount specified in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal years, by increasing that amount by the statewide average quotient resulting from dividing the average daily attendance specified in subparagraph (B) of paragraph (3) of subdivision (a) Section 42238.8 by the amount specified in subparagraph (C) of paragraph (3) of subdivision (a) of Section 42238.8.

SEC. 19. Section 48980 of the Education Code is amended to read:

48980. (a) At the beginning of the first semester or quarter of the regular school term, the governing board of each school district shall notify the parent or guardian of its minor pupils regarding the right or responsibility of the parent or guardian under Sections 35291, 46014, 48205, 48207, 48208, 49403, 49423, 49451, 49472, 51240, and 51550 and Chapter 2.3 (commencing with Section 32255) of Part 19.

(b) The notification also shall advise the parent or guardian of the availability of individualized instruction as prescribed by Section 48206.3, and of the program prescribed by Article 9 (commencing with Section 49510) of Chapter 9.

(c) The notification shall also advise the parents and guardians of all pupils attending a school within the



district of the schedule of minimum days and pupil-free staff development days, and if any minimum or pupil-free staff development days are scheduled thereafter, the governing board shall notify parents and guardians of the affected pupils as early as possible, but not later than one month before the scheduled minimum or pupil-free day.

(d) The notification also may advise the parent or guardian of the importance of investing for future college or university education for their children and of considering appropriate investment options including, but not limited to, United States Savings Bonds.

(e) Each school district that elects to provide a fingerprinting program pursuant to Article 10 (commencing with Section 32390) shall inform parents or guardians of the program as specified in Section 32390.

(f) Until July 1, 1998, the notification shall also advise the parent or guardian of the availability of the employment-based school attendance options pursuant to subdivision (f) of Section 48204.

(g) The notification shall also include a copy of the district's written policy on sexual harassment established pursuant to Section 212.6, as it relates to pupils.

(h) Commencing July 1, 1998, the notification shall include a copy of the written policy of the school district adopted pursuant to Section 51870.5 regarding access by pupils to Internet and online sites.

(i) The notification shall advise the parent or guardian of all current statutory attendance options and local attendance options available in the school district. That notification shall include all options for meeting residency requirements for school attendance, programmatic options offered within the local attendance areas, and any special programmatic options available on both an interdistrict and intradistrict basis. That notification shall also include a description of all options, a description of the procedure for application for alternative attendance areas or programs, an application form from the district for requesting a change of attendance, and a description of the appeals process available, if any, for a parent or guardian denied a change



of attendance. The notification shall also include an explanation of the current statutory attendance options including, but not limited to, those available under Section 35160.5, Chapter 5 (commencing with Section 46600) of Part 26, subdivision (f) of Section 48204, and Article 1.5 (commencing with Section 48209) of Chapter 2 of Part 27. The State Department of Education shall produce this portion of the notification and shall distribute it to all school districts.

(j) It is the intent of the Legislature that the governing board of each school district annually review the enrollment options available to the pupils within their districts and that the school districts strive to make available enrollment options that meet the diverse needs, potential, and interests of California's pupils.

(k) The notification shall advise the parent or guardian that no pupil may have his or her grade reduced or lose academic credit for any absence or absences excused pursuant to Section 48205 when missed assignments and tests that can reasonably be provided are satisfactorily completed within a reasonable period of time, and shall include the full text of Section 48205.

SEC. 20. Section 49067 of the Education Code is amended to read:

49067. (a) The governing board of each school district shall prescribe regulations requiring the evaluation of each pupil's achievement for each marking period and requiring a conference with, or a written report to, the parent of each pupil whenever it becomes evident to the teacher that the pupil is in danger of failing a course. The refusal of the parent to attend the conference, or to respond to the written report, shall not preclude failing the pupil at the end of the grading period.

(b) The governing board of any school district may adopt regulations authorizing a teacher to assign a failing grade to any pupil whose absences from the teacher's class that are not excused pursuant to Section 48205 equal or exceed a maximum number which shall be specified by the board. Regulations adopted pursuant to this



subdivision shall include, but not be limited to, the following:

(1) A reasonable opportunity for the pupil or the pupil's parent or guardian to explain the absences.

(2) A method for identification in the pupil's record of the failing grades assigned to the pupil on the basis of excessive unexcused absences.

(c) Notwithstanding the provisions of subdivision (a) of Section 49061, the provisions of this section shall apply to the parent or guardian of any pupil without regard to the age of the pupil.

SEC. 21. Section 52335.2 of the Education Code is amended to read:

52335.2. The Superintendent of Public Instruction shall calculate a revenue limit for each ROC/P in the following manner:

(a) Calculate a base revenue limit per unit of average attendance for the current fiscal year as follows:

(1) Divide the revenue limit for the prior year computed pursuant to this section by the annual units of average daily attendance funded in the prior year pursuant to subdivisions (c) and (d).

(2) Increase the amount computed in paragraph (1) by the percentage inflation adjustment specified in the Budget Act for the current fiscal year multiplied by the statewide average ROC/P revenue limit per unit of average daily attendance for the prior fiscal year.

(b) Calculate a revenue limit per unit of average daily attendance for program growth by increasing the revenue limit per unit of average daily attendance for program growth computed pursuant to this subdivision for the prior fiscal year by the percentage inflation adjustment specified in the Budget Act for the current fiscal year.

(c) Multiply the amount computed pursuant to subdivision (a) by the lesser of the ROC/P's annual units of average daily attendance for the current fiscal year or the ROC/P's annual units of funded average daily attendance for the prior fiscal year.

(d) Subtract the ROC/P's annual units of funded average daily attendance for the prior fiscal year from the ROC/P's annual units of average daily attendance for the current fiscal year and multiply the difference by the amount computed pursuant to subdivision (b). If the product computed pursuant to this subdivision is negative, it shall be deemed to be zero.

(e) Except as provided in Section 52335.3, the Superintendent of Public Instruction shall apportion to the ROC/P the sum of the amounts computed pursuant to subdivisions (c) and (d).

(f) The average daily attendance used for purposes of this section shall not include the average daily attendance in schools receiving funding pursuant to Section 52324.6.

(g) Any state funds made available as a result of local property tax revenues deducted pursuant to Section 52335.3 shall be allocated to each ROC/P in an equal amount per unit of funded average daily attendance and shall not be included in the calculation of the base revenue limit made pursuant to subdivision (a) for the subsequent fiscal year.

(h) Before making the calculations described in subdivisions (c) and (d) to determine the amount to be apportioned to each ROC/P pursuant to subdivision (e) for the 1998–99 fiscal year, average daily attendance for the 1997–98 fiscal year shall be adjusted by a factor equal to the number one minus the quotient of the number of units of that ROC/P's 1996–97 average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996, divided by that ROC/P's total 1996–97 average daily attendance.

SEC. 22. Section 56836.08 of the Education Code, as amended by Chapter 89 of the Statutes of 1998, is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area:



(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(5) Add the special disabilities adjustment computed pursuant to Article 2.5 (commencing with Section 56836.155). The special disabilities adjustment received in the 1998–99 fiscal year shall not be included in the calculations made pursuant to paragraph (1) of subdivision (b) of Section 56836.10 for the 1999–2000 fiscal year.

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the fiscal year in which the computation is made.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the prior fiscal year.



(3) Add the actual amount of the equalization adjustment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (3).

(5) Add the special disabilities adjustment computed pursuant to Article 2.5 (commencing with Section 56836.155) and increased pursuant to subparagraph (D) if the adjusted funding per unit of average daily attendance of the special education local plan area is below the statewide target amount per unit of average daily attendance as determined pursuant to subparagraphs (A) to (C), inclusive, as follows:

(A) Calculate the adjusted amount of funding per unit of average daily attendance for each special education local plan area, measured in dollars and cents, using the methodology contained in subdivision (a) of Section 56836.10, except that the amount used from the computation in Section 56836.09 shall be reduced by the amount computed pursuant to Article 2.5 (commencing with Section 56836.155).

(B) Determine the statewide target amount per unit of average daily attendance, measured in dollars and cents and rounded up to the nearest 50 cents (\$0.50), as computed pursuant to subdivision (a) of Section 56836.11.

(C) The adjusted funding per unit of average daily attendance is below the statewide target amount if the amount calculated pursuant to subparagraph (A), subtracted from the amount calculated pursuant to subparagraph (B), yields a positive value.

(D) If the computation made pursuant to subparagraph (C) yields a positive value, increase the special disabilities adjustment in the 1999–2000 fiscal year and each year thereafter by the percent increase in growth in average daily attendance reported by the



special education local plan area and the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the applicable fiscal year.

(E) Inclusion of the special disabilities adjustment in the total funding of a special education local plan area shall neither change nor be included in the computation of equalization funding pursuant to Section 56836.12 or the computations made after this computation that precede the computation in Section 56836.12.

(F) This paragraph shall not apply to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(c) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraphs (1) and (2) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

(2) Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year and each fiscal year thereafter, the amount computed for the fiscal year in which the computations were made pursuant to subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

(d) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following



computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of Section 56836.11 by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year and each fiscal year thereafter, multiply the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(3) For the purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is being made.

SEC. 22.5. Section 56836.08 of the Education Code, as amended by Chapter 89 of the Statutes of 1998, is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.



(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the fiscal year in which the computation is made.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the prior fiscal year.

(3) Add the actual amount of the equalization adjustment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (3).

(c) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of General Fund



moneys that the special education local plan area may claim:

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

(2) Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year and each fiscal year thereafter, the amount computed for the fiscal year in which the computations were made pursuant to subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

(d) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of subdivision (a) of Section 56836.11 and the amount determined pursuant to paragraph (e) of Section 56836.155 for the 1997–98 fiscal year by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year and each fiscal year thereafter, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 and the amount determined pursuant to paragraph (3) of subdivision (d) of Section 56836.155 for the prior fiscal year by the inflation factor computed pursuant to subdivision (b) of



Section 42238.1 for the fiscal year in which the computation is made.

(3) For the purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is being made.

(e) For the 1998–99 fiscal year and each fiscal year thereafter to and including the 2002–03 fiscal year, the superintendent shall perform the calculation set forth in Section 56836.155 to determine the adjusted entitlement for the incidence of disabilities for each special education local plan area, but this amount shall not be used in the next fiscal year to determine the base amount of funding for each special education local plan area for the current fiscal year, except as specified in this article.

SEC. 23. Section 56836.10 of the Education Code is amended to read:

56836.10. (a) The superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the 1998–99 fiscal year:

(1) Divide the amount of funding for the special education local plan area computed for the 1997–98 fiscal year pursuant to Section 56836.09 by the number of units of average daily attendance, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that subdivision read on July 1, 1997, reported for the special education local plan area for the 1997–98 fiscal year.



(2) Add the amount computed in paragraph (1) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of funding per unit of average daily attendance for each special education local plan area for the fiscal year in which the computation is made:

(1) For the 1999–2000 fiscal year, divide the amount of funding for the special education local plan area computed for the 1998–99 fiscal year pursuant to subdivision (a) of Section 56836.08 by the number of units of average daily attendance reported for the special education local plan area for the 1998–99 fiscal year.

(2) For the 2000–01 fiscal year, and each fiscal year thereafter, divide the amount of funding for the special education local plan area computed for the prior fiscal year pursuant to subdivision (b) of Section 56836.08 by the number of units of average daily attendance reported for the special education local plan area for the prior fiscal year.

SEC. 24. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998–99 fiscal year, the superintendent shall make the following computations to determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area pursuant to Section 56836.09 for the 1997–98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996.



(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the 1997–98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998–99 fiscal year to determine the statewide target amount for the 1998–99 fiscal year.

(b) Commencing with the 1999–2000 fiscal year and each fiscal year thereafter, to determine the statewide target amount per unit of average daily attendance for special education local plan areas, the superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

SEC. 25. Section 56836.12 of the Education Code, as amended by Chapter 89 of the Statutes of 1998, is amended to read:

56836.12. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount that each special education local plan area that has an amount per unit of average daily attendance that is below the statewide target amount per unit of average daily attendance may request as an equalization adjustment:

(1) Subtract the amount per unit of average daily attendance computed for the special education local plan area pursuant to subdivision (a) of Section 56836.10 from the statewide target amount per unit of average daily attendance determined pursuant to subdivision (a) of Section 56836.11.

(2) If the remainder computed in paragraph (1) is greater than zero, multiply that remainder by the number of units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal

year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(b) Commencing with the 1999–2000 fiscal year, through and including the fiscal year in which equalization among the special education local plan areas has been achieved, the superintendent shall make the following computations to determine the amount that each special education local plan area that has an amount per unit of average daily attendance that is below the statewide target amount per unit of average daily attendance may request as an equalization adjustment:

(1) Add to the amount per unit of average daily attendance computed for the special education local plan area pursuant to subdivision (b) of Section 56836.10 for the fiscal year in which the computation is made the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the fiscal year in which the computation is made.

(2) Subtract the amount computed pursuant to paragraph (1) from the statewide target amount per unit of average daily attendance computed pursuant to subdivision (b) of Section 56836.11 for the fiscal year in which the computation is made.

(3) If the remainder computed in paragraph (2) is greater than zero, multiply that remainder by the number of units of average daily attendance reported for the special education local plan area for the prior fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) This section shall not apply to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

SEC. 26. Section 56836.15 of the Education Code, as amended by Chapter 89 of the Statutes of 1998, is amended to read:



56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.



(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(e) If, in the fiscal year for which the computation is made, the number of units of average daily attendance upon which the allocations to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area are based is greater than the number of units of average daily attendance upon which the allocations to that special education local plan area were based in the prior fiscal year, that special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 multiplied by one plus the inflation adjustment factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is being made.



(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

SEC. 26.5. Section 56836.15 of the Education Code, as amended by Chapter 89 of the Statutes of 1998, is amended to read:

56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).



(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11, added to the amount determined in paragraph (3) of subdivision (d) of Section 56836.155.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(e) If, in the fiscal year for which the computation is made, the number of units of average daily attendance upon which the allocations to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area are based is greater than the number of units of average daily attendance upon which the allocations to that special



education local plan area were based in the prior fiscal year, that special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 multiplied by one plus the inflation adjustment factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is being made.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

SEC. 27. Section 56836.24 of the Education Code is amended to read:

56836.24. Commencing with the 1998–99 fiscal year and each year thereafter, the superintendent shall make the following computations to determine the amount of funding for the purposes specified in Section 56836.23 to apportion to each special education local plan area for the fiscal year in which the computation is made:

(a) For the 1998–99 fiscal year the superintendent shall make the following computations:

(1) Multiply the total amount of state General Fund money allocated to the special education local plan areas in the 1997–98 fiscal year, for the purposes of Article 9 (commencing with Section 56780) of Chapter 7, as that chapter existed on December 31, 1998, by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the 1998–99 fiscal year.

(2) Divide the amount calculated in paragraph (1) by the units of average daily attendance, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that subdivision read

on July 1, 1997, reported for the special education local plan area for the 1997–98 fiscal year.

(3) To determine the amount to be allocated to each special education local plan area in the 1998–99 fiscal year, the superintendent shall multiply the amount computed in paragraph (2) by the number of units of average daily attendance reported for the special education local plan area for the 1998–99 fiscal year, except that a special education local plan area designated as a necessary small special education local plan area in accordance with Section 56212 and reporting fewer than 15,000 units of average daily attendance for the 1998–99 fiscal year shall be deemed to have 15,000 units of average daily attendance, and no special education local plan area shall receive less than it received in the 1997–98 fiscal year.

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following calculations:

(1) Multiply the amount determined in paragraph (2) of subdivision (a) by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the current fiscal year.

(2) Multiply the amount determined in paragraph (1) by the number of units of average daily attendance reported for the special education local plan area for the current fiscal year, except that a special education local plan area designated as a necessary small special education local plan area in accordance with Section 56212 and reporting fewer than 15,000 units of average daily attendance for the current fiscal year shall be deemed to have 15,000 units of average daily attendance.

SEC. 28. Section 8880.5 of the Government Code is amended to read:

8880.5. Allocations for education:

The California State Lottery Education Fund is created within the State Treasury, and is continuously appropriated for carrying out the purposes of this chapter. The Controller shall draw warrants on this fund and distribute them quarterly in the following manner,



provided that the payments specified in subdivisions (a) to (h), inclusive, shall be equal per capita amounts.

(a) Payments shall be made directly to public school districts, including county superintendents of schools, serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law and adjusted pursuant to subdivision (m).

(b) Payments shall also be made directly to public school districts serving community colleges, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(c) Payments shall also be made directly to the Board of Trustees of the California State University on the basis of an amount for each unit of equivalent full-time enrollment. Funds received by the trustees shall be deposited in and expended from the California State University Lottery Education Fund which is hereby created.

(d) Payments shall also be made directly to the Regents of the University of California on the basis of an amount for each unit of equivalent full-time enrollment.

(e) Payments shall also be made directly to the Board of Directors of the Hastings College of the Law on the basis of an amount for each unit of equivalent full-time enrollment.

(f) Payments shall also be made directly to the California Maritime Academy Board of Governors on the basis of an amount for each unit of equivalent full-time enrollment.

(g) Payments shall also be made directly to the Department of the Youth Authority for educational programs serving kindergarten and grades 1 to 12, inclusive, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(h) Payments shall also be made directly to the two California Schools for the Deaf, the California School for the Blind, and the three Diagnostic Schools for



Neurologically Handicapped Children, on the basis of an amount for each unit of equivalent full-time enrollment.

(i) Payments shall also be made directly to the State Department of Developmental Services and the State Department of Mental Health for clients with developmental or mental disabilities who are enrolled in state hospital education programs, including developmental centers, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(j) No Budget Act or other statutory provision shall direct that payments for public education made pursuant to this chapter be used for purposes and programs (including workload adjustments and maintenance of the level of service) authorized by Chapters 498, 565, and 1302 of the Statutes of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the Statutes of the 1983–84, Second Extraordinary Session.

(k) School districts and other agencies receiving funds distributed pursuant to this chapter may at their option utilize funds allocated by this chapter to provide additional funds for those purposes and programs prescribed by subdivision (j) for the purpose of enrichment or expansion.

(l) As a condition of receiving any moneys pursuant to subdivision (a) or (b), each district and county superintendent of schools shall establish a separate account for the receipt and expenditure of those moneys, which account shall be clearly identified as a lottery education account.

(m) Commencing with the 1998–99 fiscal year, and each year thereafter, for the purposes of subdivision (a), average daily attendance shall be increased by the statewide average rate of excused absences for the 1996–97 fiscal year as determined pursuant to the provisions of Chapter 855 of the Statutes of 1997. The statewide average excused absence rate, and the corresponding adjustment factor required for the operation of this subdivision, shall be certified to the State Controller by the Superintendent of Public Instruction.



(n) It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

SEC. 29. The Legislature finds and declares that Section 28 of this act furthers the purposes of the California State Lottery Act of 1984.

SEC. 30. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 30.4. Section 22.5 of this bill incorporates amendments to Section 56836.08 of the Education Code proposed by both this bill and Senate Bill 1564. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1999, (2) each bill amends Section 56836.08 of the Education Code, and (3) this bill is enacted after Senate Bill 1564, in which case Section 56836.08 of the Education Code, as amended by Senate Bill 1564, shall remain operative only until the operative date of this bill, at which time Section 22.5 of this bill shall become operative, and Section 22 of this bill shall not become operative.

SEC. 30.6. Section 26.5 of this bill incorporates amendments to Section 56836.15 of the Education Code proposed by both this bill and Senate Bill 1564. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1999, (2) each



bill amends Section 56836.15 of the Education Code, and (3) this bill is enacted after Senate Bill 1564, in which case Section 56836.15 of the Education Code, as amended by Senate Bill 1564, shall remain operative only until the operative date of this bill, at which time Section 26.5 of this bill shall become operative, and Section 26 of this bill shall not become operative.

SEC. 31. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to compile and review school attendance information in a timely manner and to make important statutory changes relating to school finance for the 1998–99 fiscal year, it is necessary that this act go into effect immediately.



Approved _____, 1998

Governor

